

SENATE BILL 2976

By Fowler

AN ACT to amend Tennessee Code Annotated, Section 7-53-307; Section 9-21-105; Section 9-21-402 and Section 13-16-207, relative to the requirement for a certificate of public purpose and necessity for certain public works, industrial and business park projects.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 7-53-307, is amended by inserting the following as a new subsection (f) thereto:

(f) Notwithstanding any provision of this chapter to the contrary, a certificate of public purpose and necessity shall only be required for a public works project in a municipality with a population greater than three hundred thousand (300,000) according to the 2000 federal census or any subsequent federal census. In any resolution pledging the full faith and credit and unlimited taxing power of the municipality, the governing body of the municipality shall state that the project being considered is well conceived, has a reasonable prospect for success, will provide proper economic development and employment, and will not become a burden on the taxpayers of the municipality. The total pledge of full faith and credit of the municipality, solely for the purpose authorized in this chapter, shall not exceed ten percent (10%) of the total assessed valuation of all property in the municipality ascertained by the last completed assessment at the time of issuance of such bonds.

SECTION 2. Tennessee Code Annotated, Section 9-21-105(21), is amended by inserting the following as a new subdivision (D) thereto:

(D) Notwithstanding anything in this subsection to the contrary, a certificate of public purpose and necessity shall only be required for a public works project in a

municipality with a population greater than three hundred thousand (300,000) according to the 2000 federal census or any subsequent federal census. The total pledge of full faith and credit of the municipality related to such project shall not exceed ten percent (10%) of the total assessed valuation of all property in the municipality ascertained by the last completed assessment at the time of issuance of such obligations. In any resolution pledging the full faith and credit and unlimited taxing power of the municipality to secure any obligations related to such project, the governing body of the municipality shall state that the project being considered is well conceived, has a reasonable prospect for success, will provide proper economic development and employment, and will not become a burden on the taxpayers of the municipality.

SECTION 3. Tennessee Code Annotated, Section 9-21-402, is amended by inserting the following as a new subsection (c) thereto:

(c) Notwithstanding anything in this chapter to the contrary, a certificate of public purpose and necessity shall only be required to finance an industrial park or business park in a municipality with a population greater than three hundred thousand (300,000) according to the 2000 federal census or any subsequent federal census. The total pledge of full faith and credit of the municipality related to such project shall not exceed ten percent (10%) of the total assessed valuation of all property in the municipality ascertained by the last completed assessment at the time of issuance of such obligations. In any resolution pledging the full faith and credit and unlimited taxing power of the municipality to secure any obligations related to such project, the governing body of the municipality shall state that the project being considered is well conceived, has a reasonable prospect for success, will provide proper economic development and employment, and will not become a burden on the taxpayers of the municipality.

SECTION 4. Tennessee Code Annotated, Section 13-16-207, is amended by inserting the following as a new subsection (e) thereto:

(e) This section shall only apply to municipalities with a population greater than three hundred thousand (300,000) according to the 2000 federal census or any subsequent federal census. The total pledge of full faith and credit of a municipality related to such project shall not exceed ten percent (10%) of the total assessed valuation of all property in the municipality ascertained by the last completed assessment at the time of issuance of such obligations. In any resolution pledging the full faith and credit and unlimited taxing power of a municipality to secure any obligations related to such project, the governing body of the municipality shall state that the project being considered is well conceived, has a reasonable prospect for success, will provide proper economic development and employment, and will not become a burden on the taxpayers of the municipality.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.